

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-306

June 8, 2000

PORTLAND WATER DISTRICT
Proposed Rate Change (2.19% Decrease)

CORRECTED
ORDER APPROVING RATE
DECREASE AND CREDIT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this Order we approve a 2.19% decrease for the Portland Water District and also approve a one-time refund of approximately \$1.2 million.

On March 31, 2000, the Portland Water District (PWD or District) filed with this Commission changes to its rate schedule(s) proposing a decrease in rates of approximately 2.19%, effective May 1, 2000. The District filed this proposed decrease with the Commission pursuant to 35-A M.R.S.A. § 307. The District also proposes a one-time refund of approximately \$1.2 million. PWD estimates that the one-time refund would result in a one-time credit to a typical 3-person family of approximately \$14.00. The refund proposal is PWD's response to the provisions of 35-A M.R.S.A. § 6122(6) and Chapter 670 of the MPUC rules.¹ The rate change was suspended so that the Commission could more fully investigate the proposed change.

The Commission provided notice of the proceeding, and the Public Advocate intervened. The Public Advocate, the District and the Commission's Advisory Staff (Advisors) participated in a telephonic conference of counsel on May 17, 2000. Participants in the conference discussed how soon the rate decrease and refund could be implemented and whether there was a need for additional proceedings to determine whether the amount of the rate decrease is sufficient. During the conference, the Public Advocate conducted oral discovery on the District. On May 24, 2000, the Public Advocate filed comments asking that the Commission approve the proposed refund and rate decrease, but that it keep the case open to determine whether any further decrease in rates is warranted. The Public Advocate and the District participated in an additional telephonic conference of counsel on May 25, 2000 to discuss concerns raised by the Public Advocate in its May 24, 2000 filing. On May 25, 2000, the District filed a letter setting forth the Agreement of the District and the Public Advocate to a final resolution of this matter.

The Agreement provides that (1) the Public Advocate does not object to the Commission approving in a final order in this matter the rate reduction and credit as proposed by the District and (2) that the District agrees to file with the Commission and Public Advocate on or before May 1, 2001 "actual expenditures and its 2001 budget

¹These provisions require that if for three consecutive years a water district's annual operating revenues exceed operating expenses for the corresponding year by at least 7 percent, the District notify its customers in writing and hold a hearing. The District held a public hearing on May 22, 2000.

presented in a format that allows for an ‘apples to apples’ comparison of 2000 actual expenditures and 2001 budgeted water-only expenditures.”

The District also proposes that the rate reduction take effect on June 1, 2000, but that the one time credit be delayed until July 3, 2000 and reflected on all bills issued thereafter. The reason for the delay is to avoid customer confusion and potential problems with the District's billing system. Counsel for the District orally informed the Examiner that the Public Advocate does not object to the one-month delay in implementing the one-time credit. The District also submitted a rate schedule to implement the one-time Chapter 670 credit. The schedule provides :

In order to implement a credit for all customers pursuant to Chapter 670 of the PUC Rules, the District shall provide a one-time credit on all active customer bills mailed on or after July 3, 2000 until each customer receiving a bill during the month of July 2000 has received the one-time credit. The amount of the credit shall be equal to 6.78% of the **customer's 1999 annual water net billings. If this one-time credit exceeds the total** amount due on the July bill, the unused credit shall be applied to the customer's future bills.

We determine that the parties' proposed resolution is reasonable. It allows the rate decrease and one-time credit to be implemented quickly and with a minimum of disruption to the District's billing system. In addition, it allows for additional scrutiny of the District's revenues and expenditures in 2001 to determine whether any additional rate decrease is warranted.

Accordingly it is ordered:

1. That the District's proposed rate decrease of 2.19% is effective as of June 1, 2000.
2. That the District 's Sheet 15, Revised, filed on May 30, 2000 and attached hereto, to implement the one-time credit is approved, effective June 1, 2000 pursuant to 35-A M.R.S.A. § 309(2).
3. That the District file a report on or before June 1, 2000 consistent with the agreement of the parties set forth in the letter from the District filed on May 25, 2000.

Dated at Augusta, Maine, this 8th day of June, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.